



# Global Investment Performance Standards (GIPS)

Compliant Performance Presentation & Reporting

For the Calendar Year (CY) ended Dec, 2019

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Equity Composite**  
From January 2012 to Dec 2019

Composite Name: JS Equity Composite						Benchmark: KSE – 30 Index		
Composite Creation Date: December 31, 2016						Reporting Currency: Pakistani Rupees (PKR)		
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	3.28%	8.63%	18.56%	20.96%	<5	3,183,252,182	22,134,342,197	14.38%
CY 2018	-7.84%	-15.05%	16.56%	18.21%	<5	3,170,801,043	17,186,437,329	18.45%
CY 2017	-16.72%	-21.80%	19.14%	20.57%	<5	3,937,612,899	13,167,464,788	29.90%
CY 2016	40.04%	34.07%	17.91%	18.37%	<5	5,241,879,666	13,414,216,175	39.08%
CY 2015	2.56%	-7.17%	20.69%	20.30%	5	4,434,920,671	9,428,617,044	47.04%
CY 2014	27.38%	10.43%	16.48%	15.76%	<5	4,859,741,427	10,785,647,392	45.06%
CY 2013	63.76%	36.65%	17.97%	18.51%	<5	7,376,765,797	12,823,003,611	57.53%
CY 2012	56.87%	35.22%	16.73%	17.74%	<5	6,453,037,696	12,311,148,168	52.42%

**Compliance Statement**

“JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified.”

**Head Office:** The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar Karachi- 74400, Pakistan  
Contact: +92-21-111-222-626 Fax: +92-21-35165540 E-mail: [info@jsil.com](mailto:info@jsil.com) Website: [www.jsil.com](http://www.jsil.com)

### **Definition of the Firm**

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange Limited. JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

JS Equity Composite primarily participates in high yielding equity securities aiming at maximizing the investment return derived from capital appreciation and dividend income by prudent investment management. Further, to benefit from changing micro and macro economic conditions and/or to limit the downside risk, the Fund Manager may seek short term opportunities in authorized fixed income and money market instruments. The Composite comprises of three portfolios of Collective Investment Scheme (CIS), namely JS Large Cap Fund (JS LCF), JS Value Fund (JS VF) and JS Growth Fund (JS GF), one portfolio of Voluntary Pension Scheme (VPS), namely JS Pension Saving Equity Sub Fund (JS PSEF) and one discretionary portfolio which is now inactive as at Dec 31, 2019.

### **Benchmark**

The benchmark of JS Equity Composite is KSE – 30 Index.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

### **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but was pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

### **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

### **Fee Schedule**

Management Fee is 2.00% for JS VF, JS GF and JS LCF;

Management Fee is 1.50% for JS PSEF.

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

#### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

#### **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

### **Proprietary Assets in the Composite**

The composite contains the proprietary investments of JS Investments Limited (JSIL) as at Dec 31, 2019.

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### **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

### **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

## **Taxation of Unit Holders and Liability to Zakat**

### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Islamic Equity Composite**  
From January 2012 to Dec 2019

Composite Name: JS Islamic Equity Composite					Benchmark: KMI – 30 Index			
Composite Creation Date: December 31, 2016					Reporting Currency: Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	-0.18%	7.94%	17.88%	21.65%	<5	3,428,659,771	22,634,535,397	15.15%
CY 2018	-8.85%	-10.84%	17.42%	19.09%	<5	2,311,057,894	17,186,437,329	13.45%
CY 2017	-17.04%	-16.12%	19.87%	19.82%	<5	1,520,409,590	13,167,464,788	11.55%
CY 2016	51.64%	47.10%	20.12%	16.98%	<5	1,268,732,583	13,520,529,817	9.38%
CY 2015	7.75%	9.60%	22.36%	17.65%	<5	885,293,907	9,537,934,854	9.28%
CY 2014	48.22%	19.57%	19.57%	14.27%	<5	562,499,153	10,867,953,991	5.18%
CY 2013	54.64%	45.68%	20.06%	16.51%	<5	450,251,677	12,855,913,916	3.50%
CY 2012	53.22%	44.63%	18.43%	15.85%	<5	378,858,403	12,331,572,456	3.07%

**Compliance Statement**

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### **Definition of the Firm**

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange Limited. JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

JS Islamic Equity Composite aims to maximize total returns along with capital gain that includes a combination of capital appreciation and dividend income. Portfolio(s) in the composite are required to take exposure in listed equity stocks approved by the Shariah Advisors. The composite invests primarily in Shariah compliant equity securities and can also deposit cash with Islamic Banks/ Islamic windows of commercial banks. The composite comprises of two portfolio of Collective Investment Scheme (CIS), namely JS Islamic Fund (JS ISF) and JS Islamic Dedicated Equity Fund (JS IDEF), one portfolio of Voluntary Pension Scheme (VPS), namely JS Islamic Pension Saving Equity Sub Fund (JS IPSEF), and two discretionary portfolios out of which one is inactive as at Dec 31, 2019.

### **Benchmark**

The benchmark of JS Islamic Equity Composite is KMI – 30 Index.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

### **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but was pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

### **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc

### **Fee Schedule**

Management Fee is 2.00 for JS ISF; and

Management Fee is 1.50% for JS IPSEF

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

#### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

#### **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

### **Proprietary Assets in the Composite**

The composite contains the proprietary investments of JS Investments Limited (JSIL) as at Dec 31, 2019.

### **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

### **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

## **Taxation of Unit Holders and Liability to Zakat**

### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Balanced Composite**  
From January 2012 to Dec 2019

Composite Name: JS Balanced Composite				Benchmark: 50% KSE 30 – index + 50% 6M KIBOR				
Composite Creation Date: December 31, 2016				Reporting Currency: Pakistani Rupees (PKR)				
Year	Composite Net Return (%)	Benchmark Net Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	8.28%	11.46%	11.88%	10.29%	4	1,376,689,999	22,634,535,397	6.08%
CY 2018	-4.21%	-3.89%	11.00%	9.18%	5	1,660,537,041	17,186,437,329	9.66%
CY 2017	-9.11%	-8.47%	12.32%	10.19%	5	1,782,003,282	13,167,464,788	13.53%
CY 2016	23.25%	19.76%	11.74%	7.89%	5	2,092,732,429	13,520,529,817	15.48%
CY 2015	4.74%	0.58%	13.03%	7.79%	6	1,735,494,543	9,537,934,854	18.20%
CY 2014	22.33%	10.39%	11.05%	4.55%	6	1,779,765,254	10,867,953,991	16.38%
CY 2013	36.30%	23.04%	12.25%	0.00%	6	1,424,678,942	12,855,913,916	11.08%
CY 2012	38.62%	22.87%	11.84%	0.00%	6	1,447,977,755	12,331,572,456	11.74%

**Compliance Statement**

“JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified.”

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### **Policies**

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### **Composite Description**

The objective of JS Balanced Composite is to preserve and grow investor’s capital in the long term while providing a regular stream of income. The Composite operates a diverse portfolio of equity and fixed income investments whereby the equity component is meant to provide the growth in capital while dividends on the equity component along with the fixed income investments help to generate regular stream of income.

The composite may invest in diversified portfolio of carefully selected equity securities, money market/ debt instruments and government securities. Portfolio(s) in this composite may also hold assets in form of cash with banks with the objective to minimize risks involved. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely Unit Trust of Pakistan (UTP), and nine discretionary portfolios and out of nine discretionary portfolios only three are active, as at Dec 31, 2019.

### **Benchmark**

The benchmark of JS Balanced Composite is equally weighted combination of KSE 30 – Index and 06 Months KIBOR rates i.e. 50% KSE 30 – index + 50% 6M KIBOR.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

### **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

### **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

### **Fee Schedule**

Management Fee is 2.00% for UTP.



### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

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Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

### **Liability for Income Tax**

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Returns from all other sources/instruments are taxable at the rate applicable to a public company.

### **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

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### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

## **Taxation of Unit Holders and Liability to Zakat**

### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

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### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Fund of Funds Composite**  
From January 2012 to Dec 2019

Composite Name: JS Fund of Funds Composite					Benchmark: Refer to Benchmark Disclosure			
Composite Creation Date: December 31, 2016					Reporting Currency: Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	15.41%	10.29%	10.64%	12.94%	<5	240,883,173	22,634,535,397	1.06%
CY 2018	0.45%	1.24%	12.73%	13.04%	<5	217,325,286	17,186,437,329	1.26%
CY 2017	-9.32%	-13.76%	15.02%	13.53%	<5	272,442,658	13,167,464,788	2.07%
CY 2016	26.80%	24.48%	14.54%	11.30%	<5	338,822,550	13,520,529,817	2.51%
CY 2015	5.92%	8.03%	18.73%	12.00%	<5	238,768,900	9,537,934,854	2.50%
CY 2014	27.63%	22.43%	16.09%	9.31%	<5	167,468,853	10,867,953,991	1.54%
CY 2013	38.60%	25.38%	16.12%	9.93%	<5	107,076,909	12,855,913,916	0.83%
CY 2012	28.97%	26.58%	12.93%	8.95%	<5	104,067,279	12,331,572,456	0.84%

**Compliance Statement**

“JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified.”

**Head Office:** The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar Karachi- 74400, Pakistan  
Contact: +92-21-111-222-626 Fax: +92-21-35165540 E-mail: [info@jsil.com](mailto:info@jsil.com) Website: [www.jsil.com](http://www.jsil.com)

### **Definition of the Firm**

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange Limited. JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

JS Fund of Funds Composite aims to grow investor’s capital by undertaking minimal risk through investing primarily in any of all the available collective investment schemes that includes equity, balanced, fixed income, money market, real estate investment trust (REIT) and commodities etc. The composite may also invest in short term government securities and money market instruments. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Fund of Funds (JS FoF).

### **Benchmark**

The benchmark of JS Fund of Funds Composite is average return of asset allocation schemes.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

### **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

### **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

### **Fee Schedule**

Management Fee is 1.00% for JS FoF.

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

#### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

#### **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

### **Proprietary Assets in the Composite**

The composite contains the proprietary investments of JS Investments Limited (JSIL) as at Dec 31, 2019.

### **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

### **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.



### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

### **Taxation of Unit Holders and Liability to Zakat**

#### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

#### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Income Composite**  
From January 2012 to Dec 2019

Composite Name: JS Income Composite				Benchmark: Six Months KIBOR rate				
Composite Creation Date: December 31, 2016				Reporting Currency: Pakistani Rupees (PKR)				
Year	Composite Net Return (%)	Benchmark Net Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	7.66%	13.77%	0.68%	0.88%	<5	3,817,314,305	22,634,535,397	16.86%
CY 2018	7.13%	8.58%	0.66%	0.37%	<5	2,128,879,146	17,186,437,329	12.39%
CY 2017	5.51%	6.63%	1.00%	0.19%	<5	3,013,580,942	13,167,464,788	22.89%
CY 2016	6.97%	6.66%	1.33%	0.50%	<5	2,641,627,583	13,520,529,817	19.54%
CY 2015	7.44%	7.72%	1.39%	0.40%	<5	1,047,069,124	9,537,934,854	10.98%
CY 2014	10.83%	10.86%	1.57%	0.28%	<5	924,849,970	10,867,953,991	8.51%
CY 2013	5.68%	10.26%	3.95%	0.51%	<5	845,640,555	12,855,913,916	6.58%
CY 2012	13.72%	12.02%	7.49%	0.38%	<5	1,178,816,101	12,331,572,456	9.56%

**Compliance Statement**

“JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified.”

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### **Definition of the Firm**

The Firm is a Public Listed Company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange Limited. JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee paying and non – fee paying discretionary and non – discretionary portfolios.

### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

JS Income Composite aims to preserve investor’s capital while providing a regular stream of income on an annual basis which is higher than that offered by commercial banks on deposits of a similar liquidity profile. The composite operates a diverse portfolio of investment-grade debt securities, government securities, money market instruments and also maintains liquidity in the form of bank deposits. The composite comprises of two portfolios of Collective Investment Scheme (CIS), namely JS Income Fund (JS IF) and JS Aggressive Income Fund (JS AIF) in which JS Aggressive Income Fund (JS AIF) is revoked, and one portfolio of Voluntary Pension Scheme (VPS), namely JS Pension Saving Debt Sub Fund (JS PSDF) and one discretionary portfolio.

### **Benchmark**

The benchmark of JS Income Composite is six months KIBOR rate.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

## **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but was pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

2. JS Investments Limited, the Management Company of JS Aggressive Income Fund (JS AIF), with the consent of the Central Depository Company of Pakistan Limited (the "Trustee of JS AIF") decided to proceed with the revocation (liquidation) of JS AIF w.e.f. April 30, 2013. The said decision was taken on account of JS AIF maintaining a Fund Size below the minimum limit of i.e. 100 Million prescribed by the Securities & Exchange Commission of Pakistan.
3. Management Fee of JS IF, included in this composite, was reduced from 1.5% to 0.75% from March, 2014.
4. Management Fee of JS PSDF, included in this composite, was reduced from 1.5% to 0.50% from March 02, 2018.

## **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

### **Fee Schedule**

Management Fee is 0.75% for JS IF;

Management Fee is 1.50% for JS AIF; and PSDF

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS/ (Funds)	Rs. 100 Million
For other portfolio(s)	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

## **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

## **Proprietary Assets in the Composite**

The composite contains the proprietary investments of JS Investments Limited as at Dec 31, 2019

## **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

## **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part - iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that the exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

### **Taxation of Unit Holders and Liability to Zakat**

#### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

#### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Islamic Income Composite**  
From January 2012 to Dec 2019

Composite Name: JS Islamic Income Composite				Benchmark: Refer to Benchmark Disclosure				
Composite Creation Date: December 31, 2016				Reporting Currency: Pakistani Rupees (PKR)				
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	11.01%	5.48%	1.25%	0.40%	<5	570,448,593	22,634,535,397	2.52%
CY 2018	6.23%	2.68%	1.07%	0.28%	<5	719,705,079	17,186,437,329	4.19%
CY 2017	2.29%	3.48%	1.13%	0.44%	<5	1,209,469,199	13,167,464,788	9.19%
CY 2016	4.10%	4.62%	1.02%	0.38%	<5	427,664,182	13,520,529,817	3.16%
CY 2015	5.51%	6.78%	0.97%	0.72%	<5	247,781,586	9,537,934,854	2.60%
CY 2014	6.07%	7.48%	2.31%	1.04%	<5	334,707,690	10,867,953,991	3.08%
CY 2013	6.75%	4.07%	2.61%	0.80%	<5	571,774,945	12,855,913,916	4.45%
CY 2012	7.02%	0.00%	2.66%	0.00%	<5	88,497,841	12,331,572,456	0.72%

\* JS IIF is the only CIS in this composite, which was established on May 2013; therefore, the Benchmark before this period is not tabulated above.

**Compliance Statement**

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### **Definition of the Firm**

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange Limited . JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

JS Islamic Income Composite aims to provide attractive returns by investing in Shariah Compliant instruments while taking into account capital preservation and liquidity considerations. The composite may invest primarily in Shariah Compliant Government Securities to preserve capital and may further invest in short term Shariah Compliant debt and money market instruments for capital appreciation. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Islamic Income Fund (JS IIF), and two portfolios of Voluntary Pension Scheme (VPS), namely JS Islamic Pension Saving Debt Sub Fund (JS IPSDF) and JS Islamic Pension Saving Money Market Sub Fund (JS IPSMMF) and one discretionary portfolio as at Dec 2019.

### **Benchmark**

The Benchmark of JS Islamic Income Composite is average six month placement (Deposit) rate of 3 Islamic Banks (including Islamic windows of Commercial Banks).

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

## **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

2. Effective from August 18, 2017, JS Islamic Government Securities Fund (JS IGSF) converted to Shariah Compliant Income Fund category. Consequently, the name of JS IGSF was also changed to JS Islamic Income Fund (JS IIF).
3. Effective from December 20, 2017, management fees of JS Islamic Income Fund has changed from 0.75% to 0.50%.
4. Management Fee of JS IPSMMF and JS IPSDF, included in this composite, were reduced from 1.5% to 0.50% from March 02, 2018.

## **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

### **Fee Schedule**

Management Fee is 0.50% for JS IIF; and  
Management Fee is 0.50% for JS IPSMMF and JS IPSDF.

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

## **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

## **Proprietary Assets in the Composite**

The composite contains the proprietary investments of JS Investments Limited as at Dec 31, 2019.

## **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

## **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

### **Taxation of Unit Holders and Liability to Zakat**

#### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

#### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Money Market Composite**  
From January 2012 to Dec 2019

Composite Name: JS Money Market Composite					Benchmark: Refer to Benchmark Disclosure			
Composite Creation Date: December 31, 2016					Reporting Currency: Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	12.25%	11.39%	0.96%	0.85%	<5	3,882,597,774	22,634,535,397	17.15%
CY 2018	6.27%	5.93%	0.45%	0.21%	<5	3,042,140,052	17,186,437,329	17.70%
CY 2017	5.41%	4.84%	0.53%	0.26%	<5	1,032,903,773	13,167,464,788	7.84%
CY 2016	5.15%	5.18%	0.58%	0.46%	<5	867,008,038	13,520,529,817	6.41%
CY 2015	7.34%	6.73%	0.43%	0.30%	<5	773,684,060	9,537,934,854	8.11%
CY 2014	8.88%	9.04%	0.42%	0.18%	<5	1,818,987,166	10,867,953,991	16.74%
CY 2013	7.82%	8.40%	0.61%	0.22%	<5	1,761,953,745	12,855,913,916	13.71%
CY 2012	10.55%	9.70%	0.73%	0.15%	<5	2,414,412,027	12,331,572,456	19.58%

**Compliance Statement**

“JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified.”

### **Definition of the Firm**

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange Limited . JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

JS Money Market Composite aims to generate optimal return while maintaining high liquidity with minimum risk. Portfolio(s) within Money market Composite are managed to seek preservation of capital, liquidity and competitive yields. The composite provides investors liquidity and safety by investing in low-risk, short-duration securities. The composite primarily invests in money market instruments and government securities. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Cash Fund (JS CF), one portfolio of Voluntary Pension Scheme (VPS), namely JS Pension Saving Money Market Sub Fund (JS PSMMF), and two discretionary portfolio and out of two discretionary portfolios one is inactive and another is inactive since May 2019.

### **Benchmark**

The benchmark of JS Money Market Composite is 50% average return of three months deposit rates of AA and above rated scheduled Commercial Banks, and 50% average three months T-Bill rate.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

## **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

2. Management Fee of JS CF, included in this composite, was reduced from 1% to 0.5% from March 2014.
3. Management Fee of JS PSMMF, included in this composite, were reduced from 1.5% to 0.50% from March 02, 2018.
4. Management Fee of JS CF, included in this composite, was reduced from 0.5% to 0.15% from July 01, 2018.

## **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc



### **Fee Schedule**

Management Fee is 0.15% for JS CF; and

Management Fee is 0.50% for JS PSMMF

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

## Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

## Proprietary Assets in the Composite

The composite contains the proprietary investments of JS Investments Limited as at Dec 31, 2019.

## Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

## Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/ certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

### **Taxation of Unit Holders and Liability to Zakat**

#### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

#### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Asset Allocation Composite**  
From January 2012 to Dec 2019

Composite Name: JS Asset Allocation Composite					Benchmark: 50% KSE30 Index + 50% Avg. 6M KIBOR			
Composite Creation Date: December 31, 2016					Reporting Currency: Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	14.69%	11.84%	13.89%	10.55%	6	138,927,755	22,634,535,397	0.61%
CY 2018	-7.75%	-3.76%	17.28%	9.05%	5	52,266,351	17,186,437,329	0.30%
CY 2017	-19.89%	-8.39%	19.56%	10.29%	5	126,735,631	13,167,464,788	0.96%
CY 2016	42.74%	19.86%	17.32%	9.18%	8	260,470,784	13,520,529,817	1.93%
CY 2015	5.73%	0.70%	16.18%	10.19%	8	174,922,063	9,537,934,854	1.83%
CY 2014	18.14%	10.63%	12.55%	9.34%	8	372,336,290	10,867,953,991	3.43%
CY 2013	20.20%	23.27%	13.63%	14.08%	4	273,446,260	12,855,913,916	2.13%
CY 2012	28.35%	31.78%	12.94%	17.25%	2	160,379,392	12,331,572,456	1.30%

**Compliance Statement**

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Contact: +92-21-111-222-626 Fax: +92-21-35165540 E-mail: [info@jsil.com](mailto:info@jsil.com) Website: [www.jsil.com](http://www.jsil.com)

### **Definition of the Firm**

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange Limited . JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

JS Asset Allocation Composite seeks to provide long term returns to the investors through capital gains and dividend income. The composite’s strategy is geared towards taking advantage of changing relative values of different asset classes. Portfolio(s) in the composite may invest some or even all of its assets in any one asset class, depending upon the current economic condition, which includes equities, money market/ debt instruments, government securities, etc. Further diversification may be achieved through exposure in mutual funds and make cash placement with bank deposits. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS Aggressive Asset Allocation Fund (JS AAAF), and eighteen discretionary portfolios and out of eighteen discretionary portfolios only five are active, as at December 31, 2019.

### **Benchmark**

The benchmark of JS Asset Allocation Composite is equally weighted KSE 30 Index return and six months average KIBOR rate i.e. 50% KSE30 Index + 50% Avg. 6M KIBOR.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

## **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

- 2 It is disclosed that a new composite has been formed namely "JS Islamic Asset Allocation Composite" which comprises of portfolios required to invest in Shariah Compliant Collective Investment Schemes (CISs), equities, fixed income and money market securities TCS Private Limited Employees Provident Fund (a discretionary portfolio SMA Account) has made its investment strategy to invest its assets into Shariah Compliant securities including investment in CISs; therefore, it has been re-allocated into JS Islamic Asset Allocation Composite and switched/ removed from this composite.

## **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc

## **Fee Schedule**

Management Fee is 2.00% for JS AAAF.

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### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

#### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

#### **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

### **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

### **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.



## **Taxation of Unit Holders and Liability to Zakat**

### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Capital Protected Composite**  
From January 2012 to June 2018

Composite Name: JS Capital Protected Composite				Benchmark: Refer to Benchmark Disclosure				
Composite Creation Date: December 31, 2016				Reporting Currency: Pakistani Rupees (PKR)				
Year	Composite Net Return (%)	Benchmark Net Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
HY 2018	1.97				<5	217,680,063	15,814,202,075	1.38
CY 2017	2.50				<5	243,826,919	13,116,106,482	1.86
CY 2016*	3.40				<5	304,255,168	13,414,216,175	2.27
CY 2015							9,428,617,044	
CY 2014							10,785,647,392	
CY 2013							12,823,003,611	
CY 2012**	4.38				<5		12,311,148,168	

\*For the period from the date of maturity of JS PSF I (i.e. June 11, 2012) to the launch of JS CPF V (i.e. May 30, 2016), there exists no portfolio(s) with similar investment objective in this composite.

\*\*Returns are from January 01, 2012 to June 11, 2012.

**Compliance Statement**

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### **Definition of the Firm**

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### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

The objective of JS Capital Protected Composite is to provide capital protection of the Initial Investment Value, at completion of the duration while offering potentially high returns through dynamic asset allocation between equity, mutual funds, money market instrument and fixed income securities. The composite protects investor’s capital through the investment structure by placing a significant percentage with bank as term deposit. The remaining portion is used to take exposure in equity markets to maximize the return and may also invest in fixed income and money market instruments. The composite comprises of two portfolios of Collective Investment Scheme, namely JS Capital Protected Fund V (JS CPF V) and JS Principal Secure Fund I (JS PSF I).

### **Benchmark**

No Benchmark has been assigned to this composite.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

## **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but was pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

2. JS Capital Protected Fund V (JS CPF V) was launched on May 30, 2016 for the duration of 24 months and six weeks. During the period from the date of maturity of JS PSF I to the launch of JS CPF V, there exists no portfolio(s) with similar investment objective.
3. The life of JS Capital Protected Fund V (JS CPF V) was 24 months & 6 weeks, and JS CPF V was matured on July 18, 2018.

## **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

### **Fee Schedule**

Management Fee is 1.00% for JS CPF V; and

Management Fee is 1.75% for JS PSF I.

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

## **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

## **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

## **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

### **Taxation of Unit Holders and Liability to Zakat**

#### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

#### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Index Tracker Composite**  
From January 2012 to December 2017

<b>Composite Name:</b> JS Index Tracker Composite					<b>Benchmark:</b> KSE – 30 Index			
<b>Composite Creation Date:</b> December 31, 2016					<b>Reporting Currency:</b> Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Net Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
9M CY 15*	(10.45)	(7.14)	18.04	20.30	<5	17,228,792	9,470,356,164	0.18
CY 2014	11.94	10.43	13.79	15.76	<5	47,598,188	10,785,647,392	0.44
CY 2013	33.05	36.65	16.71	18.51	<5	44,325,086	12,823,003,611	0.35
CY 2012	36.64	35.22	17.61	17.74	<5	105,525,962	12,311,148,168	0.86

\* JS KSE – 30 Index Fund was merged with JS Large Cap. Fund on October 02, 2015. Therefore, the performance of 9 months (9M) of Calendar Year 2015 (CY 15) is tabulated above.

**Compliance Statement**

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**Definition of the Firm**

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### **Policies**

The Firm's policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

The composite targets sophisticated investors who can time their entry and exit in accordance with the expected performance of the equity market or for investors who seek long term exposure to the equity market. The Composite aims to closely track the performance of an index by investing in constituent companies within the index they track in proportion to their weighting with the objective to provide returns that are closely aligned with the returns of the tracked index. The composite comprises of one portfolio of Collective Investment Scheme (CIS), namely JS KSE – 30 Index Fund (JS KSE – 30).

### **Benchmark**

The benchmark of JS Index Tracker Composite is KSE – 30 Index.

### **List of Composites**

The Firm's list of composite descriptions is available upon request.

## **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

2. SECP, vide its letter number SCD/AMCW/JSIL/89/2015 dated September 11, 2015 granted its approval under regulation 58(1)(m) of the NBFC & NE Regulation, 2008 read with Circular No. 20 of 2009 dated June 23, 2009 for the merger of JS KSE 30 with and into JS Large Cap. Fund ("the Surviving Scheme"). Consequently, the whole of undertakings of JS KSE 30, which includes all assets, rights, liabilities, bank balances, obligations, mandates, undertakings, securities, records etc. were transferred to and vested in JS Large Cap. Fund from October 02, 2015 ("effective date of merger").

## **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

### **Fee Schedule**

Management Fee is 1.50% for JS KSE 30.

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

## Revenue recognition

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

## Liability for Income Tax

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

## Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax, provided that exemption certificates, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the Collective Investment Schemes and approved Pension Funds.

### **Taxation of Unit Holders and Liability to Zakat**

#### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

#### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Islamic Asset Allocation Composite**  
From February 22, 2017 to Dec 2019

<b>Composite Name:</b> JS Islamic Asset Allocation Composite					<b>Benchmark:</b> Refer to the benchmark disclosure			
<b>Composite Creation Date:</b> December 31, 2017					<b>Reporting Currency:</b> Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	9.75%		5.52%		<5	7,494,914,639	22,634,535,397	33.11%
CY 2018	2.39%		5.52%		<5	5,624,819,614	17,186,437,329	32.73%
CY 2017	-2.68%		5.52%		<5	1,294,067,086	13,167,464,788	9.83%

\* "JS Islamic Hybrid Fund of Funds – I" is the CIS which was launched on June 07, 2017.

TCS Private Limited Employees Provident Fund, an SMA Account, was established on February 22, 2017.

\*\* During first six months of CY 2018, all seven baskets had exposure across various Funds of Pakistan including JSIL; therefore, their performance was included in this composite. However, during last six months of CY 2018, all these seven baskets only had exposure in Funds managed by JSIL; therefore, these baskets are not included in the performance from July 2018 to December 2018.

\*\*\* During first four months of HY 2019, all baskets had exposure only in Funds managed by JSIL; therefore, these baskets are not included in the performance from January 2019 to April 2019. However, during last two months of HY 2019, only one basket had exposure across various Fund(s) of Pakistan including JSIL; therefore, this basket was included in the performance from May 2019 to June 2019.

**Compliance Statement**

"JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified."

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Contact: +92-21-111-222-626 Fax: +92-21-35165540 E-mail: [info@jsil.com](mailto:info@jsil.com) Website: [www.jsil.com](http://www.jsil.com)

### **Definition of the Firm**

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange Limited. JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

### **Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

### **Composite Description**

JS Islamic Asset Allocation Composite seeks to provide long term returns to the investors through capital gains and dividend income. The composite’s strategy is geared towards taking advantage of changing relative values of different asset classes by investing some or even all of its assets in any scheme (of its own AMC or other AMCs) representing any one or more asset classes,. Any portfolio(s) of this composite may invest in any range (i.e. from 0 to 100%/) in any asset class of its net assets in shariah compliant equities, money market/ debt securities/ schemes based on the Fund Managers outlook. . Further diversification may be achieved through exposure cash placement with shairah compliant banks or Islamic widow of commercial banks. The composite comprises of three portfolios of Collective Investment Scheme (CIS), namely JS Islamic Hybrid Fund of Funds – I with six allocation plan/ baskets namely Mustanad, Mustahkem , Mutanasib , Mufeed, Munafa and JS Islamic Active Allocation Plan – I and JS Islamic Hybrid Fund of Funds – II with six allocation baskets namely JS Islamic Active Allocation Plan – II, JS Islamic Capital Preservation Allocation Plan – I, II, III, IV & V and JS Islamic Hybrid Fund of Fund – III with two allocation basked namely JS Islamic Capital preservation Allocation Plan – VI and VII and one discretionary portfolios as at Dec 31, 2019.

### **Benchmark**

No Benchmark has been assigned to this Composite.

### **List of Composites**

The Firm’s list of composite descriptions is available upon request.

## **Significant Event**

1. As a consequence of the 18th amendment to the Constitution of Pakistan, in May 2015 the Sindh Workers' Welfare Fund Act, 2014 (SWWF Act) had been passed by the Government of Sindh as a result of which every industrial establishment located in the Province of Sindh, the total income of which in any accounting year is not less than Rs 0.50 million, is required to pay Sindh Workers' Welfare Fund (SWWF) in respect of that year a sum equal to two percent of such income. The matter was taken up by the MUFAP with the Sindh Revenue Board (SRB) collectively on behalf of various asset management companies and their CISs whereby it was contested that mutual funds should be excluded from the ambit of the SWWF Act as these were not industrial establishments but pass through investment vehicles and did not employ workers. The Sindh Revenue Board (SRB) held that mutual funds were included in the definition of financial institutions as per the Financial Institution (Recovery of Finances) Ordinance, 2001 and were, hence, required to register and pay SWWF under the SWWF Act. Thereafter, MUFAP has taken up the matter with the Sindh Finance Ministry to have CISs / mutual funds excluded from the applicability of SWWF.

In view of above, the MUFAP recommended that as a matter of abundant caution provision in respect of SWWF should be made on a prudent basis with effect from the date of enactment of the SWWF Act, 2014 (i.e. starting from May 21, 2015). As a result of which the provisioning of SWWF has been carried out on Mutual Funds.

2. TCS Private Limited Employees Provident Fund (SMA Account) having investment strategy of Islamic Asset Allocation has been switched to this Composite from JS Asset Allocation Composite and performance from the Calendar year 2017 (i.e. from January 2017 to December 2017) has been presented.
3. During the period a new CIS "JS Islamic Hybrid Fund of Funds - III" was launched by JSIL and it was subsequently made part of this composite due to similar investment strategy of this composite.

## **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc



### **Fee Schedule**

Management Fee is 1.00% for JS IHFoF-I.  
Management Fee is 1.00% for JS IHFoF-II  
Management Fee is 1.00% for JS IHFOF - III

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million

### **Internal Dispersion**

Since Portfolios in the composite are less than the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

## **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

## **Proprietary Assets in the Composite**

The composite contains the proprietary investments of JS Investments Limited as at Dec 31, 2019.

## **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (a) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (b) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

## **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150, 150A & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

### **Taxation of Unit Holders and Liability to Zakat**

#### **(a) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

#### **(b) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.

**JS Investments Limited**  
**GIPS Compliant Presentation**  
**JS Private Equity Composite**  
**From Nov 2019 to December 2019**

<b>Composite Name:</b> JS Private Equity Composite*					<b>Benchmark:</b> 6 Months KIBOR + 300 basis points			
<b>Composite Creation Date:</b>					<b>Reporting Currency:</b> Pakistani Rupees (PKR)			
Year	Composite Net Return (%)	Benchmark Return (%)	Composite 3-Yr St Dev (%)	Benchmark 3-Yr St Dev (%)	Number of Portfolios	Composite Assets	Total Firm's Assets	% of Firm Assets
CY 2019	-	2.23%	-	-	<5	99,985,135	22,634,535,397	0.44%

\*This composite comprises of one portfolio named JS Private Equity Fund, which was established on November 2019. Further, this is media picture oriented portfolio and its return would be calculated on project completion.

**Compliance Statement**

“JS Investments Limited claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JS Investments Limited (JSIL, the Firm) has not been independently verified.”

**Definition of the Firm**

The Firm is a public listed company incorporated in Karachi - Pakistan and is listed on the Pakistan Stock Exchange. JSIL is a subsidiary of “JS Bank Limited” and is engaged in the business of providing Asset Management and Investment Advisory Services. The definition of the Firm includes all Funds under its management and all fee – paying and non – fee – paying discretionary and non – discretionary portfolios.

**Policies**

The Firm’s policies for valuing Portfolios, calculating performance, and preparing compliant presentations are available upon request.

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### **Composite Description**

JS Private Equity Composite aims to participate in the investments of all types of funds related to Venture Capital, including media oriented investment themes. For liquidity management, portfolios of this composite may invest in Government securities, fixed Income and Money Market instruments including Unit trusts or schemes. The portfolios of this Composite may also invest in COD, COI, etc of any financial institutions including Commercial Banks. This Composite comprises of one portfolio as of December 30, 2019.

### **Benchmark**

The benchmark of JS Private Equity Composite is 6 Months KIBOR + 300 basis points.

### **List of Composites**

The Firm's list of composite descriptions is available upon request.

### **Fees**

Returns are calculated and presented net of all fees/ expenses that includes custodial expenses, SECP fee, listing fee, Management Fee, Trading Expenses etc.

### **Fee Schedule**

Management Fee for JS Private Equity Fund is 2.00%.

### **Minimum Portfolio Size**

The Minimum portfolio size for inclusion in the composite is as follows;

For portfolios of CIS (Funds)	Rs. 100 Million
For other portfolio	Rs. 3 Million*

*\*The minimum asset level for other portfolio is changed from Rs. 5 million to Rs. 3 million*

### **Internal Dispersion**

Since number of Portfolios in the composite is less than five for the entire (full) year therefore calculation of internal dispersion is not required.

### **Key Assumption for Portfolio valuation**

Following are the key assumptions used in portfolio valuation;

#### **Financial instruments**

All the financial assets and liabilities are recognized at the time when the Portfolio becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to receive cash flows related to the asset expire. Financial liabilities are derecognized when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognizing of the financial assets and liabilities is taken to the income statement in the period in which it arises.

#### **Revenue recognition**

Capital gains of a security are accounted for in the period in which they arise. Dividend income is recognized when the right to receive them is established. Income on bank deposits is recognized on accrual basis, and adjustments (if required) are made on receipt of actual profit.

### **Proprietary Assets in the Composite**

The composite contains the proprietary investments of JS Investments Limited (JSIL) as at Dec 31, 2019.

### **Liability for Income Tax**

Under the income tax law in Pakistan, the Fund is regarded as a public company for tax purposes. The income of the Fund is taxable, if 90% distribution is not made among the unit holders, certificate holders or shareholders as the case may be. The tax is chargeable at the rate applicable to a public company, which is presently as under:

- (c) Dividend income is taxable at the applicable tax rate as provided in Income Tax Ordinance, 2001 for public companies on gross income basis.
- (d) Capital gains arising on sale of securities, listed on any stock exchange in Pakistan at applicable tax rates in accordance with the Income Tax Ordinance, 2001;

Returns from all other sources/instruments are taxable at the rate applicable to a public company.

### **Liability for Income Tax, if ninety per cent (90%) of the Fund's income is paid as dividend**

Notwithstanding the tax rates and withholding tax the income of the Fund will be exempt from tax, if not less than ninety per cent (90%) of the income for the year is distributed amongst the Unit Holders as dividend. This includes only cash dividend as consequent to amendments in Income Tax Ordinance, 2001 through Finance Act, 2014, for the purpose of determining distribution of at least 90% of accounting income, the income distributed through bonus shares, units or certificates as the case may be, shall not be taken into account. The ninety per cent (90%) of the income shall be calculated after excluding capital gains and as reduced by such expenses as are chargeable to the Fund under the Regulations.

### **Withholding Tax**

Under the provisions of Clause 47(B) of Part – iv of the Second Schedule to the Income Tax Ordinance, 2001, the Fund's income namely, dividend, profit on government securities, return on deposits/certificates of investment with banks/financial institutions, profits from money market transactions, profit from Profit or Loss sharing accounts with Banks of the Fund will not be subject to any withholding tax. Provided that exemption certificate, under section 150 & 151 of the Income Tax Ordinance, 2011, have been duly obtained by the CIS and approved Pension Schemes.

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## **Taxation of Unit Holders and Liability to Zakat**

### **(c) Withholding Tax:**

Unless exempted from such taxation or at a reduced rate under any law or Avoidance of Double Taxation Agreement, cash dividend paid to Unit holders of the Fund will be subject to withholding tax as per the prevailing tax law.

In terms of the provisions of the Income Tax Ordinance, 2001, the withholding tax shall be deemed to be full and final liability in respect of such distribution.

### **(d) Capital Gains:**

Capital Gains arising on disposition of Units of the Fund subject to withholding Capital Gains Tax (CGT) at the applicable rates given in the Income Tax Ordinance, 2001 (ITO). There shall be no CGT, if holding period is more than 48 months (4 years). As per section 37(A) of the Income Tax Ordinance, 2001, Capital gains shall be treated as a separate block of income and losses under this head can be adjusted by the unit holder from the capital gains in the same tax year. Any unadjusted loss under this head is not allowed to be carried forward to the subsequent tax years.